

September 8, 2008

MANDATORY POSTER AGENCY, INC. PAYS \$50,000 TO SETTLE CONSUMER FRAUD AND FALSE ADVERTISING CLAIMS

BISMARCK –Mandatory Poster Agency, Inc. and its owners Joseph Fata, Steven J. Fata and Thomas Fata of Lansing, Michigan (collectively "the Fatas") have paid \$50,000 to North Dakota to resolve consumer fraud, false advertising and other claims brought by Attorney General Wayne Stenehjem on behalf of North Dakota businesses.

Under the settlement, consumers who purchased merchandise may return it to Mandatory Poster Agency, Inc. and receive a full refund, including return postage costs.

The Fatas, doing business as "North Dakota Labor Law Poster Service," "North Dakota Mandatory Poster Agency" and "North Dakota Food Service Compliance Center" used direct-mail solicitations to create the false impression that businesses were required to purchase posters which displayed information about wage and hour requirements and unemployment benefits. In fact, all required posters are available free of charge from government agencies, including the North Dakota Department of Labor.

In September 2006, the Attorney General charged that the Fatas' direct-mail solicitations contained false and misleading information and used scare tactics about potential fines and penalties to intimidate businesses into buying posters at inflated prices. The Attorney General issued a Cease and Desist Order prohibiting the Fatas from doing business in the State; a civil enforcement lawsuit followed.

"This scheme takes advantage of the conscientious small business person who wants to do the right thing," said Stenehjem, "Poster scammers operate on the hope that a busy entrepreneur will be taken in by the deceptive solicitations, without recognizing them for what they are."

Since 2001 there have been at least 24 settlements between the Fatas and various State and federal law-enforcement agencies. Of those, North Dakota obtained the largest settlement payment. In addition to the \$50,000 and refunds, the Fatas agreed the Cease and Desist Order would remain in effect for three years and that if they ever resumed doing business in North Dakota they would do so under certain restrictions and conditions imposed by the Attorney General, including making specific disclosures in their solicitations that they are not a government entity and that similar information is available free of charge from other sources, including government agencies, registering with the Secretary of State as a foreign corporation, registering trade names used in the State and agreeing to pay a civil penalty of at least \$1,000 per violation for any future violations of the settlement.

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